

**CITY OF SHOREVIEW, MINNESOTA**  
**PURCHASING POLICY**  
**Effective August 1, 2008**

**SCOPE:** This purchasing policy applies to all employees of the City of Shoreview, Minnesota who are authorized to enter into contracts and purchase goods on behalf of the City.

**OBJECTIVES:** Purchases of the City of Shoreview shall be in accordance with Minnesota Statutes Chapter 471.345 Uniform Municipal Contracting Law, or as amended. There are three general purposes behind this policy. First, it is intended to ensure taxpayers the lowest price and best value for their tax dollars when the City makes a contract. Second, it allows contractors a level playing field on which to compete for City contracts. Third, it limits the discretion of Contract-making officials and thus reduces the possibility of fraud or favoritism.

All participants in the purchasing process shall seek to act responsibly as custodians of the public trust. Purchasing officials shall avoid any transaction that might impair public confidence in the City's ability to govern effectively. Purchasing officials shall recognize that the purchasing process is subject to public review and evaluation. The overall process shall be designed and managed with a degree of professionalism worthy of the public trust.

**MINNESOTA STATUTE REQUIREMENTS:**

Contract Defined: The definition of the term "contract" is broad, but it does not include all contracts. Generally, a "contract" is an agreement entered into by the City for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property.

State Statutes Group Contracts Into The Following Categories:

- Contracts over \$100,000: If the amount of the contract is estimated to exceed \$100,000 the City must use the competitive bidding process.
- Contracts from \$25,000 to \$100,000: Contracts that are estimated to exceed \$25,000 but not exceed \$100,000. The City may make the contract using the competitive bid process **or** by quotations through direct negotiation. If the latter method is used, the City must seek at least two quotations and keep them on file for at least one year.
- Contracts \$25,000 or less: If the contract is estimated to be \$25,000 or less the City has the option of making the contract upon quotation **or** in the open market. If the City makes the contract upon quotations, the City must obtain at least two quotations and keep them on file for at least one year after their receipt.

## **CITY OF SHOREVIEW REQUIREMENTS:**

### General requirements:

- All items presented for payment must be in writing (must be presented in invoice form). Payments can only be made by original invoice, payments from statements are not permitted.
- Employee reimbursements must be submitted on the employee expense reimbursement form. Original invoices or itemized receipts must support all non-mileage reimbursements.
- A completed purchase voucher must be attached to the invoice.
- A minimum of two quotes must be attached to the purchase voucher for purchases from \$25,000 to \$100,000, if the competitive bid process was not followed.

### Authorized signatures/bidding requirements:

- Purchases under \$2,500 may be purchased on the open market or by obtaining a minimum of two quotes. Approval is required by an authorized individual.
- Purchases from \$2,500 to \$9,999 may be purchased on the open market or by obtaining a minimum of two quotes. Approval is required by a Department Director.
- Purchases from \$10,000 to \$20,000 may be purchased on the open market or by obtaining a minimum of two quotes. Approval is required by the City Manager and a Department Director.
- Purchases from \$20,001 to \$25,000 may be purchased on the open market or by obtaining a minimum of two quotes. Approval is required by the City Council and the City Manager.
- Purchases from \$25,001 to \$100,000 may be purchased by obtaining a minimum of two quotes or calling for competitive bids. Approval is required by the City Council and the City Manager.
- Purchases over \$100,000 may be purchased by calling for competitive bids. Approval is required by the City Council and the City Manager.

## **LIST OF ATTACHMENTS:**

- Purchasing Policy and Bidding Requirements
- Purchasing Policy Statutory Requirements